

STATE OF MARYLAND
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT ADMINISTRATION
SINGLE FAMILY HOUSING

LOAN APPLICATION FOR GROUP HOME PROGRAM

Mail to: CDA/Single Family Housing (Due to size of submission, mailing is preferred)
7800 Harkins Road, Room 369B
Lanham, Maryland 20706
ATTN: Dayna Harris
Group Home Program Manager

I. SPONSOR/APPLICANT

Name of Sponsor: _____

Name of Ownership Entity: _____

Federal Identification Number: _____

Contact Person: _____ Phone/office: _____
cell: _____

E-Mail Address: _____

Address: _____

<i>Principals of Ownership Entity</i>	<i>Title</i>	<i>% Ownership</i>	<i>Address</i>

Are there any lawsuits pending against the sponsor or ownership entity? () Yes () No
If yes, please attach a detailed description of the lawsuit.

Have you ever received tax exempt financing? () Yes () No
If yes, please attach a detailed description of the financing.

Questions relating to the Group Home Program or the
completion of this application should be directed to:
Dayna Harris
Group Home Program Manager
301-429-7845
dayna.harris@maryland.gov

II. PROJECT

Name of Project: _____

Address: _____

City: _____ Zip Code: _____ County: _____

Congressional District: _____ Legislative: _____

Type of Financing (check all that apply):

Type of Project:

- Acquisition
- Rehabilitation
- Refinancing
- New Construction

- Alternative Living Unit (ALU)
- Group Home
- Sheltered Housing
- Other: _____

Type of Structure:

- Single Family Detached
- Single Family Townhouse
- Single Family Duplex

- Condominium
- Other _____

Year building was constructed: _____

Is the property currently occupied? Yes No

If yes, number of occupants: _____

No. of Buildings: _____ No. of Floors: _____

Total Square Footage: _____

Is the property zoned for the proposed use? Yes No

If no, has application for zoning approval been filed? Yes No

If yes, provide date: _____

Is the property currently licensed as a group home, ALU, or other proposed use?

Yes No

If yes, please attach copy of the license or approval letter.

Number of Persons to be Served in the Project:

Current

Proposed

Number of Beds

Number of persons or households served annually

Target Population (Be as specific as possible; e.g., developmentally disabled, chronically mentally ill, elderly individuals, abused children)

For Refinancing requests only, identify existing mortgages:

Mortgagee & Address	Insurer	Original Amount	Original Date	Balance	Term	Rate
		\$		\$		%
		\$		\$		%

If existing mortgage(s) are being refinanced, will a prepayment penalty be assessed and added to the payoff amount? () Yes () No

If yes, what is the amount of the prepayment penalty? _____

Provide a description of the project and site including the following:

- composition of neighborhood;
- proximity to commercial facilities, public transportation, schools, etc.;
- services and supervision to be provided including number and type of staff;
- plan for maintaining the upkeep of the property; and
- operating subsidies provided through other State programs, such as Office on Aging, DHR, or DHMH.

Attach additional pages if necessary.

III. FUNDING

Amount Requested From:	CDA	Lender	Other	Total
() New Construction	\$	\$	\$	\$
() Acquisition	\$	\$	\$	\$
() Rehabilitation	\$	\$	\$	\$
() Development Costs	\$	\$	\$	\$
() Refinancing	\$	\$	\$	\$
Total	\$	\$	\$	\$

Fill in following information for all sources other than the CDA loan:

Source	Amount	Rate	Term	Special Conditions
	\$	%	Yrs	
	\$	%	Yrs	
	\$	%	Yrs	
	\$	%	Yrs	

IV. PROJECT INCOME

1. Operating Subsidy:

Agency	Number of Clients Served	Monthly Client Subsidy	Total Annual Subsidy
a) DHMH			
b) DDA			
c) Other – specify: _____			
d) TOTAL			

2. Client Contribution:

Client	Monthly Rent	Monthly Support Service Fee	Total Annual Contribution
a)			
b)			
c)			
d)			
e) TOTAL			

3. Private Contributions: (This is usually non-client related.)

Source	Clients Served	Total Monthly Amount	Total Annual Amount
a)			
b)			
c)			
d) TOTAL			

4. Total Annual Income (lines 1.d, 2.e, 3.d) \$ _____

V. INCOME ELIGIBILITY STATUS

Occupied Projects

Complete the following information for all occupied units. Attach additional sheets, if necessary.

Tenant Name	Monthly Rent (Current)	Monthly Rent (Proposed)	Annual Tenant Income	Source of Income	Sex	Race*

*Optional

Will any of the tenants listed above be displaced or have any other tenants been displaced without cause in the 12 months prior to this application? () Yes () No

If yes, please attach a copy of the proposed relocation plan for future displacement and an explanation of the nature of prior displacements. **Note:** The income of tenants who will remain in occupancy after the loan is closed must be verified before CDA will issue a loan commitment.

Complete the following information for all vacant units which are proposed for occupancy by income-eligible households (an income-eligible household means a household with incomes within the income limits required by the program):

Unit Type/Size	Number of Beds	Monthly Gross Rent

VI. PROFORMA OPERATING EXPENSES

1.	Administrative	
a.	Salaries and Wages	\$ _____
b.	Benefits	\$ _____
c.	Consultant Fees	\$ _____
d.	Staff Training Fees	\$ _____
e.	Insurance	\$ _____
f.	Other _____	\$ _____
g.	Subtotal (lines 1.a through 1.f)	\$ _____
2.	Operating	
a.	Transportation/Client	\$ _____
b.	Costs associated with lead paint reduction or maintenance	\$ _____
c.	Food	\$ _____
d.	Telephone	\$ _____
e.	Equipment	\$ _____
f.	Utilities	\$ _____
g.	Repairs and Upkeep	\$ _____
h.	Reserve for Replacement*	\$ _____
i.	Other _____	\$ _____
j.	Subtotal (lines 2.a through 2.i)	\$ _____
3.	Real Estate Taxes, if applicable	\$ _____
4.	Total Operating Expenses (lines 1.g, 2.j, and 3.)	\$ _____

*Total development costs (Section VIII, line 5) X .008

Describe Fringe Benefits:

Describe any Payment in Lieu of Tax (PILOT) agreements which are currently in place or which are proposed:

VII. FINANCIAL SUMMARY

- 1. Project Income (from Section IV)
 - a. Total Operating Subsidy (line IV 1.d) \$ _____
 - b. Total Client Contributions (line IV 2.e) \$ _____
 - c. Total Private Contributions (line IV 3.d) \$ _____
 - d. Total Rental Revenue (lines 1.a through 1.c) \$ _____
 - e. Less Vacancy Factor (3% of line 1.d.) \$(_____)
 - f. Net Rental Income \$ _____

- 2. Total Operating Expenses (from Section VI, line 4) \$ _____

- 3. Annual Income for Debt Service (line 1.f. minus line 2) \$ _____

- 4. Monthly Income for Debt Service (line 3 divided by 12) \$ _____

- 5. Monthly P&I Payment may not exceed (line 4 divided by 1.1) \$ _____

VIII. ESTIMATED DEVELOPMENT COST AND MORTGAGE AMOUNT

- 1. Construction/Rehabilitation Costs
 - a. Residential buildings or portions of buildings \$ _____
 - b. Nonresidential buildings or portions of buildings \$ _____
 - c. General requirements \$ _____
 - d. Builders general overhead and Profit ____% of line 1.c \$ _____
 - e. Bond Premium () or Letter of Credit Cost () \$ _____
 - f. Other _____ \$ _____
 - g. Subtotal (lines 1.a through 1.f) \$ _____

- 2. Fees (include only those related to construction/rehabilitation)
 - a. Architect's Fees \$ _____
 - b. Legal \$ _____
 - c. Packaging/Processing \$ _____
 - d. Lead Test \$ _____
 - e. Appraisal/Market Study \$ _____
 - f. Other _____ \$ _____
 - g. Subtotal (lines 2.a through 2.f) \$ _____

- 3. Financing Fees and Charges
 - a. Construction Interest ____% for ____mos. on \$ _____ (Estimated Initial Draw) \$ _____
 - b. Real Estate Taxes during construction \$ _____
 - c. Insurance premium during construction \$ _____
 - d. Mortgage insurance premium during construction \$ _____
 - e. Financing contingency \$ _____
 - f. CDA closing fee \$ _____
 - g. Other _____ \$ _____
 - h. Subtotal (lines 3.a through 3.g) \$ _____

4.	Acquisition Costs	
a.	Building acquisition	\$ _____
b.	Carrying charges (for example: interest, options)	\$ _____
c.	Relocation costs	\$ _____
d.	Surveys	\$ _____
e.	Appraisal	\$ _____
f.	Title and recording (for acquisition)	\$ _____
g.	Subtotal (lines 4.a through 4.f)	\$ _____
5.	Total Estimated Development Costs (total lines 1.g, 2.g, 3.h, 4.g)	\$ _____
6.	Refinancing requests	
a.	Current mortgage balance	\$ _____
b.	Capital Improvements (attach documentation)	\$ _____
c.	Closing costs	\$ _____
d.	Subtotal (lines 6a. through 6.c)	\$ _____
7.	Less funds from other sources	
a.	Grants	\$ (_____)
b.	Local contribution	\$ (_____)
c.	Superior Loan(s)	\$ (_____)
d.	Subordinate Loan(s)	\$ (_____)
e.	Borrower's Equity (Non-profits: 5%; Individuals: 10%)	\$ (_____)
f.	Other sources	\$ (_____)
g.	Subtotal (lines 7.a through 7.f)	\$ (_____)
8.	CDA Loan Request (line 5 or line 6.d minus line 7.g)	\$ _____

IX. DEVELOPMENT PLAN

Provide the firm name, contact person's name, address and telephone number for each of the following:

Attorney for Architect, Engineer or Construction Manager –

Sponsor/Owner's Title Attorney –

General Contractor –

Processing Agent –

Management Agent –

Developer (if project is constructed on a turnkey contract) –

Specify any related entities among the Development Team –

X. NOTICES

In accordance with Executive Order 01.01.1983.18, the Department of Housing and Community Development (the "Department") advised you as follows regarding the collection of personal information.

Certain personal information requested by the Department is necessary in determining your eligibility for a loan. Your failure to disclose this information may result in the denial of the loan. Availability of this information for public inspection is governed by the provisions of the Maryland Public Information Act, State Government Article, Sections 10-611 et. seq. of the Annotated Code of Maryland. This information will be disclosed to appropriate staff of the Department or to public officials for purposes directly connected with administration of the loan program for which its use is intended. Such information is routinely shared with state, federal or local agencies. You have the right to inspect, amend, or correct personal records in accordance with the Maryland Public Information Act.

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Any person who knowingly makes, or causes to be made any false statement or report relative to this loan application for the purposes of influencing the action of the Department or such application shall be subject to criminal prosecution, a fine of up to \$50,000 and/or imprisonment up to 5 years.

XI. VOLUNTARY DATA

The following information concerning race and sex is requested for statistical purposes so the Department may determine the degree its programs are utilized by minority individuals and businesses. If applicant is a business, check the category applicable to 51% or more of ownership.

Race:

() American Indian/Alaskan Native () Asian/Pacific Islander () Black () White
() Hispanic () Other _____

Sex:

() Male () Female

XII. CERTIFICATIONS AND AGREEMENT

The undersigned applicant hereby makes application to the Community Development Administration (“CDA”) and/or the Department of Housing and Community Development (“DHCD”) (collectively or individually, the “Department”) for a loan or loans in the total amount of \$ _____ for a term of _____ years (the “Loan”) pursuant to one or more programs authorized in the Housing and Community Development Article of the Annotated Code of Maryland Sections 4-101 through 4-255 (Special Housing Opportunities Program (“SHOP”)), with insurance by the Maryland Housing Fund (“MHF”) pursuant to Sections 3-201 through 3-208; Sections 4-601 through 4-612 (Group Home Financing Program); and Sections 4-211(a)(8) and (9) (HOME Program).

Applicant certifies that the purpose of the Loan is to ()acquire, ()refinance, ()construct, ()rehabilitate housing for occupancy by lower income households with special housing needs for _____% of the residents in the project. The undersigned acknowledges that the Loan will be secured by one or more liens on the property herein described and evidenced by one or more promissory notes. The undersigned certifies that housing produced with the proceeds of the Loan will be occupied by income-eligible households within the income limits set by the Department for the specific program(s) for a specified period.

The applicant agrees that he/she will not discriminate against any person on the basis of race, color, religion, national origin, sex, marital status, physical or mental handicap, age, or any other prohibited basis in any aspect of the program, and that he/she will comply with all applicable federal, state and local laws, regulations and rules regarding discrimination and equal opportunity in employment, housing and credit practices, including but not limited to Titles VI and VII of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, as amended, the Federal Fair Housing Amendments Act of 1988, as amended, Title 20 of the State Government Article of the Annotated Code of Maryland, as amended, State of Maryland Executive Order 01.01.189.18 on Drug and Alcohol Free Workplaces for non-state entities, promulgated November 28, 1989, the Americans with Disabilities Act of 1990, as amended, and that he/she will comply with the Secretary’s Minority Business Enterprise (“MBE”) Program, as applicable. Copies of the MBE guidelines will be provided to the applicant.

The undersigned hereby certifies that the project proposed in this application can be developed in accordance with the development budget set forth herein and operated in accordance with the operating budget set forth herein and further certifies that the information set forth herein and in any attachments in support hereof is true, correct and complete to the best of his/her knowledge and belief.

The undersigned authorizes the Department to obtain credit information for the purpose of evaluating this application.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed in its name on the _____ day of _____, _____.

(Full Legal Name of Sponsor)

Signature: _____

Name: _____

Title: _____

GROUP HOME PROGRAM LOANS

APPLICATION CHECKLIST

Name of Sponsor: _____
Name of Project: _____

All of the items listed on this Application Checklist must be submitted with your application in order for CDA to determine the appropriate source of funding for the loan and the eligibility and feasibility of the project. Incomplete applications can result in the return of your application package. Please check off each item to make sure your package is complete.

Application Documentation

1. _____ Copy of the Deed to the property, purchase contract or option to purchase the property.

Explanation: This item is needed to assure CDA that you have control of the site for which you are making application for a loan. Both you and CDA will invest significant amounts of time in processing the loan and unless you have site control the efforts of both parties could be wasted.

2. _____ Organizational document of applicant (Articles of Incorporation, By-Laws, Partnership Agreement, etc.)

Explanation: Your organization documents provide CDA with the information needed to determine if your organization has the legal authorization to undertake the proposed project and incur the obligations of the loan. By providing the organizational documents with the application, CDA can advise you if changes will be required prior to closing the loan. This early notification avoids delays at the end of the loan process.

3. _____ Certificate or letter of good standing.

Explanation: Same as 2. above. Please note if your loan is approved, a requirement of closing will be to provide an updated Certificate of Good Standing which is current to within **one month** of the date on which loan closing occurs.

4. _____ Resolution of the Board of Directors, general partners or local governmental body, as applicable authorizing the application and signatories (Corporations only).

Explanation: This item is required to assure CDA that the proper corporate authorizations supporting the loan applications have been secured.

5. _____ Certification of 501(c)(3) non-profit status from the Internal Revenue Service.

Explanation: This information is required for tax exempt bond-funded loans, to ensure CDA that the organizations meets IRS requirements for the loan.

6. _____ Copy of the latest property tax bill and assessment.*

Explanation: This information assists CDA in preliminarily assessing the value of the property and determining if projected real estate taxes in your development budget and operating proforma are reasonable and accurate. Not required for non-profits who are exempt from paying real estate taxes.

7. _____ Copy of the Declarations page of fire and extended coverage insurance policy, liability insurance policy, and flood insurance policy, if applicable.

Explanation: This documentation is required only if you hold title to the property at the time you are making the loan application. Review of your current insurance coverage will enable CDA to advise you at an early date if additional insurance will be required to comply with CDA insurance standards.

8. _____ Three years financial statements of Borrower.

Explanation: Financial information about the borrower enables CDA to evaluate the financial strength and stability of the borrower.

9. _____ Three years financial statements for the project.

Explanation: Financial information about an existing project enables CDA to evaluate the financial viability of the project as well as evaluate the reasonableness of operating proformas. This information is not required for new or proposed projects which have not been owned by or under the control of the application at any time during the three years prior to application.

10. _____ For individuals, personal financial statement of the sponsor and principals of the sponsor or three years certified tax returns, Personal Financial and Credit Statement.

Explanation: Financial statements of the individuals and entities undertaking the project are required to enable CDA to determine if the principals are creditworthy and have the financial capacity to undertake the project and provide all the necessary pledges and guarantees.

11. _____ Copy of all mortgages outstanding on the property, a signed Verification of Mortgage form (exhibit A) for each mortgage loan being refinanced, or copies of commitment letters from other lenders participating in the financing or copies of letters of intent from other lenders participating in the financing for acquisition, rehabilitation or new construction projects.

Explanation: This documentation serves several purposes. If you currently have mortgages on the property, the information requested will enable CDA to determine if you have met the obligations under the mortgage, and if the mortgage has any provisions that prohibit prepayment. Copies of commitment letters or letter of intent from other lenders who will participate in the project provide CDA with the information necessary to determine the amount of loan funds needed from CDA and to evaluate the financial feasibility of the project.

12. _____ Preliminary plans and specification or a detailed description of the proposed construction.

Explanation: In order for CDA to evaluate the reasonableness of the loan you are requesting, you must provide preliminary information on the proposed scope and extent of the construction work to be undertaken on the project. Without this information, CDA cannot assess whether your cost projections are reasonable or whether the full extent of construction required for the project has been adequately identified. Include contractor's proposal if available.

13. _____ A description of the contractor's experience, including a schedule of all projects undertaken by the contractor.

Explanation: Information about the contractor allows CDA to evaluate the capability of the contractor to undertake and complete the project based on the previous experience of the contractor. In many cases, the sponsor will not have selected the contractor prior to submitting an application for feasibility. Information on the contractor may be submitted at a later date, if a contractor has not been selected when you are ready to apply. You need not delay application pending selection of a contractor.

14. _____ A copy of a Lead Paint Risk Assessment prepared by a certified and accredited lead testing company for all properties built prior to 1950.

Explanation: A Lead Paint Risk Assessment will allow CDA to confirm the existence of any lead paint hazards in the property. Should a lead hazard exist the sponsor will have to obtain a bid from a lead certified contractor to reduce the lead hazards. A risk assessment or information on a contractor may be submitted at a later date, if one has not been selected when you are ready to apply. You need not delay application pending receipt of the lead test or selection of a contractor.

15. _____ Evidence of Maryland Department of Environment (MDE) Lead Paint Rental Registration form – MDE 330.

Explanation: MDE registration is required for all rental properties built prior to 1950. Please see MDE's web page for more information on this requirement at www.mde.state.md.us.

16. _____ A Home Inspection Report.

17. _____ Photographs of the building or site and a site map showing the location of the development.

18. _____ Evidence of zoning compliance.

Explanation: Compliance with zoning requirements is essential to successful housing development. For existing occupied properties this requirement can be satisfied by submitting a current rental license, certificate of occupancy or other evidence of zoning. For change of use projects or new construction you should obtain letter for the local zoning office confirming that the proposed project will be in compliance with zoning requirements. If a zoning variance or exception is required, you should submit a copy of the application for a variance or exception which has been submitted to the local government with the CDA application.

19. _____ List of credit references for non-corporate and non-local government applicants.

Explanation: Credit references for individuals participating in the project are required to enable CDA to determine whether you meet the credit and financial requirements to be eligible for a loan.

20. _____ Copy of Contracts from Governmental or other Agencies for operating funds.

Explanation: This information ensures CDA there are sufficient operating funds.

21. _____ Schedule of rates charged to residents.

Explanation: This information will ensure that rents charged to clients are in compliance with program guidelines.

22. _____ Description of borrower's experience with a schedule of other facilities owned or operated by the borrower including name of facility, address, number of residents/households served, annual operating budget amount, length of time owned/operated, mortgages secured to project.

Explanation: This information enables CDA to assess the qualification and experience of the sponsor to ensure that the sponsor meets all CDA requirements, such as prior experience with housing development or rehabilitation and capacity to plan, develop and manage group home projects.

23. _____ A description of current or proposed residents showing (names if applicable) monthly payment, household size and gross annual income.

Explanation: This information will ensure that rents charged to clients are in compliance with program guidelines.

24. _____ Independent fee appraisal performed by an appraiser acceptable to CDA.

Explanation: CDA requires an appraisal to determine if the project will have adequate value to secure CDA's loan as well as all other mortgages. The appraisal should also include information on the structure's present value and the expected value after rehabilitation or construction. All of this information is required to evaluate the financial viability of the project. The appraiser must be on the CDA Approved Appraiser and Market Analyst List. Please go to: <http://www.dhcd.state.md.us/Website/Programs/rhf/Factsheet.aspx> and click on the "More Information pertaining to the Rental Housing Fund" link directly above the "Contact" information. The "CDA Approved Appraiser and Market Analyst List" is under the "Applications, Guidelines, and Other Downloads" heading.

25. _____ Minority Business Participation Plan, if applicable.

Explanation: CDA encourages the use of minority business in the development of housing. The Minority Business Participation Plan sets forth the sponsor's goals for minority business participation in the project and the methods the sponsor or contractor expects to use to promote utilization of minority businesses.

26. _____ Evidence of availability of other capital funds for acquisition or rehabilitation of proposed projects.

Explanation: This information enables CDA to determine if sufficient funds are available to complete the projects.

27. _____ Debarment Affidavit (CDA Form Enclosed).

Explanation: Title 16 of Maryland's Finance and Procurement Article requires applicants submit an affidavit regarding Debarment from state or federal programs. Without this affidavit signed, the sponsor will not be eligible for financing.

28. _____ Federal Funds Notice (form located at <http://www.dhcd.state.md.us/Website/Programs/ghp/Default.aspx> under "Related Links"; Notice must be completed by applicant and signed and dated by the seller(s) prior to entering into a binding sales contract)

Explanation: The Federal Uniform Relocation Act (URA) requires sellers to be notified prior to the signing of a sales contract that federal funds may be used in the acquisition of the property. If this Notice is not signed by the seller(s) prior to entering into a binding sales contract, the project will not be eligible for HOME funds.

29. _____ Any other documentation required by CDA and set forth in writing from CDA to the applicant.

Explanation: Additional documentation may be required for different types of projects or projects with unusual risks. For example: (1) if a sponsor expects to receive an allocation of project based Section 8, a letter from the administering agency certifying the availability of the Section 8 is required, and (2) evidence of availability of operating subsidies from federal sources or other state agencies is required for certain types of group homes or temporary shelters.